



AMRUTANJAN HEALTH CARE LIMITED

NOMINATION CUM REMUNERATION POLICY

I. Introduction

Amrutanjan, being in existence for over a century, has helped building careers for many. The management strongly believes that acquiring the right talent and training them to align with the objectives of the Company on continuous basis has been the key contributor to its success story. Keeping this tradition in view, the Nomination cum Remuneration Policy ("**Policy**") has been formulated and recommended by the Nomination and Remuneration Committee ("**Committee**") in its meeting held on 5th February 2015 pursuant to Section 178 of the Companies Act, 2013 read with the rules made thereunder (collectively, the "**Act**") and the Listing Agreement.

The Policy has been adopted by the Board of Directors of Amrutanjan Health Care Limited ("**Company**") in its meeting held on 5th February, 2015. The terms used in the Policy will have same meaning provided under the Act wherever applicable.

This Policy lays down the guidelines to be followed in relation to appointment and fixation of remuneration of the directors, key managerial personnel and senior managerial personnel of the Company.

II. Objectives

The objectives of this Policy are to inter-alia:

- (a) attract, recruit, and retain good and exceptional talent;
- (b) list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;
- (c) ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;
- (d) motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- (e) ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and

- (f) fulfill the Company's objectives and goals, including in relation to good corporate governance, transparency, and sustained long-term value creation for its stakeholders.

III. Nomination and Appointment

A. Executive Directors:

1. As per the Act, the Company is required to have a managing director, or a chief executive officer, or a manager, and in their absence, a whole time director.
2. The Company currently has, and has always appointed, a managing director in accordance with the applicable laws. Accordingly, this Policy currently provides for the appointment of the managing director of the Company ("**Managing Director**"). If in future, the Committee deems fit to appoint a chief executive officer, or manager or a whole time director for the Company in place of or in addition to Managing Director, then this Policy will also be applicable, mutatis mutandis, to those nominations;
3. Process to be adopted for the nomination and appointment of a Managing Director:
 - (a) The Committee will identify and recommend to the board of directors of the Company ("**Board**"), person(s) who is qualified and eligible for appointment as the Managing Director of the Company, provided such person(s) meets the criteria set out under the Act.
 - (a) The appointment of a Managing Director will be subject to execution of formal agreement between the Company and the Managing Director.
 - (b) The person(s) so identified and recommended by the Committee to the Board, for appointment as the Managing Director, and the agreement setting out the terms and conditions of his/her appointment and remuneration, will be subject to approval of the Board, and of the shareholders at the next general meeting of the Company.
 - (c) If the terms and conditions of appointment of the Managing Director are at variance to the conditions specified under Schedule V of the Act, then such appointment will be subject to the approval of the Central Government.
 - (d) In addition to the criteria prescribed under the Act, the appointee should also possess adequate qualification, expertise and experience for the position. The Committee has discretion to decide whether qualifications, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position.

B. Non-Executive Directors

1. As per the Act, the Company is required to have a minimum of 3 directors and upto a maximum of 15 directors, which maximum number can be increased pursuant to a special resolution passed by the Company. The Act also stipulates the composition of the Board such as gender, ratio of non-executive to executive directors, and the number of independent directors.
2. Process to be adopted for the nomination and appointment of non-executive directors:
 - (a) The Committee will identify and recommend to the Board, person(s) who is qualified and eligible for appointment as a non-executive director of the Company ("**Non-Executive Director**"), not being an independent director of the Company ("**Independent Director**"), provided such Non-Executive Director meets the criteria set out under this Policy.
 - (b) The appointment of the Non-Executive Director may be formalised by way of execution of formal agreement between the Company and the Non-Executive Director.
 - (c) The person(s) so identified and recommended by the Committee to the Board, for appointment as a Non-Executive Director, and the agreement setting out the terms and conditions of his/her appointment and remuneration, will be subject to approval of the Board, and of the shareholders at the general meeting of the Company.
 - (d) The Committee will also consider and provide its inputs on the appointment to the Board of an alternate director, small shareholders' director and a nominee director.
3. For a person to be appointed as a Non-Executive Director ("**Candidate**"), he/she should fulfil/meet the criteria prescribed under the Act for appointment as a Director and should not be disqualified pursuant to Section 164 of the Act.

The candidate should not be holding Office as a Director or Senior Managerial Position in a competing firm/entity.

He/She should have relevant qualifications or experience or both in the field in which his/her expertise is sought by the Company.

C. Independent Directors

1. In terms of section 149 (4) of the Act, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, the Company is required to have minimum number of directors as independent directors.

2. Process to be adopted for the nomination and appointment of an Independent Director:
 - (a) The Committee will identify and recommend to the Board, person(s) who is qualified and eligible for appointment as an Independent Director of the Company, provided such person(s) meets the criteria set out under the Act.
 - (b) The Committee may also select the Independent Director from a data bank containing names, addresses and qualifications of persons who are eligible and willing to act as independent directors, maintained by an authorised agency as per the Act. However, the Committee will nonetheless carry out its own verification and satisfy itself as to the candidature of the Independent Director.
 - (c) The appointment of an Independent Director will be subject to issuance by the Company of a formal letter of appointment in the manner provided by the Act.
 - (d) The person(s) so identified and recommended by the Committee to the Board, for appointment as the Independent Director, and the agreement setting out the terms and conditions of his/her appointment and remuneration will be subject to approval of the Board, and of the shareholders at the next general meeting of the Company.
3. For a person to be appointed as an Independent Director ("**Candidate**"), he/she should fulfil/meet the criteria prescribed under the relevant provisions of the Act for appointment as a Director and should not be disqualified pursuant to Section 164 of the Act.

The candidate should not be holding Office as a Director or Senior Managerial Position in a competing firm/entity.

D. Key Managerial Personnel

1. As per section 203 of the Act and rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is also required to appoint the Chief Financial Officer and Company Secretary;
2. Process to be adopted for the nomination and appointment of a Chief Financial Officer:
 - (a) The Committee will identify and recommend to the Board, person(s) who is qualified and eligible for appointment as a Chief Financial Officer.
 - (b) The appointment of the Chief Financial Officer will be subject to issuance by the Company of a formal letter of appointment in the manner provided by the Act.
 - (c) The person(s) so identified and recommended by the Committee to the Board, for appointment as a Chief Financial Officer, and the letter of appointment setting out the terms and conditions of his/her appointment and remuneration, will be subject to approval of the Board.

3. For a person to be appointed as a Chief Financial Officer ("**Candidate**"), he/she should fulfil/meet the following criteria:
 - a) In addition to the criteria, if any, prescribed under the Act, the appointee should also possess adequate qualification, expertise and experience for the position. The Committee has discretion to decide whether qualifications, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position.
 - b) The Candidate should have atleast 10 years of experience in finance.
 - c) The Candidate should not be employed or holding any position as a chief financial officer or any other post in any other firm/entity.
 - d) The Candidate should not have been sentenced to imprisonment for any period, or to a fine exceeding Rs. 1000, for the conviction of an offence under any law.

4. Process to be adopted for the nomination and appointment of a Company Secretary:
 - (a) The Committee will identify and recommend to the Board, person(s) who is qualified and eligible for appointment as a Company Secretary.
 - (b) The appointment of the Company Secretary will be subject to issuance by the Company of a formal letter of appointment in the manner provided by the Act.
 - (c) The person(s) so identified and recommended by the Committee to the Board, for appointment as a Company Secretary, and the letter of appointment setting out the terms and conditions of his/her appointment and remuneration, will be subject to approval of the Board.

5. For a person to be appointed as a Company Secretary ("**Candidate**"), he/she should fulfil/meet the following criteria:
 - (a) The Candidate should be a qualified company secretary as defined u/s. 2(24) of the Act;
 - (b) The Candidate should not be a 'company secretary in practice' as defined u/s. 2(25) of the Act;
 - (c) The Candidate should not be employed or holding any position as a company secretary or any other post in any other firm/entity.
 - (d) The Candidate should have atleast 10 years of experience in secretarial and compliance.

- (e) The Candidates should not have been sentenced to imprisonment for any period, or to a fine exceeding Rs. 1000, for the conviction of an offence under any law.

IV. Remuneration

The Committee shall ensure that while deciding the level and composition of remuneration, sufficient care is taken to attract, retain and motivate directors, KMPs and SMPs of the quality required to run the company successfully. The remuneration shall match the performance and meets the appropriate benchmarks. The remuneration may have a reasonable mixture of fixed and variable components to align with the long-term goals of the Company.

A. Executive Directors

1. The Committee to recommend the remuneration of the Managing Director to Board for its approval.
2. Such remuneration shall be subject to approval of the shareholders of the Company, in the next general meeting.
3. If proposed remuneration is at variance to the conditions specified in Schedule V of the Act, then such remuneration will also be subject to the approval of the Central Government.
4. The terms of the remuneration of the Managing Director shall be as per mutual agreement and the structure will be recommended by the Committee to the Board for its approval.

B. Non Executive Directors & Independent Directors

1. The Committee to recommend the remuneration of the Non Executive Directors to the Board for its approval, and will be subject to the overall ceiling approved by the shareholders of the Company.
2. Remuneration may be paid by way of Commission based on achievement of profitability levels for the year ended, upto such amount, as may be decided by the Board from time to time within the overall ceiling approved by the Shareholders. Sitting fees of such amounts as may be determined from time to time and upto such amount, as may be decided by the Board and the shareholders, if required.

C. Key Managerial Personnel

1. The Committee to recommend the remuneration of the Company Secretary and Chief Financial Officer to the Board for its approval.
2. Increment for each year will be determined based on the performance evaluation report.

D. Senior Managerial Personnel

The Committee to determine the remuneration and increments of the senior managerial personnel of the Company, other than whole time key managerial personnel, in accordance with performance evaluation policy of the Company for its employees. These powers are currently delegated to the Managing Director who shall decide the remuneration and increments of the senior managerial personnel of the Company on merit and as per performance evaluation appraisals being followed for employees of the Company.

V. Evaluation

1. The reappointment or extension of term and the remuneration of Executive Directors and Non executive Directors, Independent Directors, KMPs will be as per the performance evaluation report pursuant to the performance evaluation carried out by the Board (excluding the director being evaluated).
2. The criterion for such performance evaluation has been set out at **Annexure 1**

VI. General

1. The Board will comprise of atleast 1 woman director.
2. The Board will comprise of atleast 1 director who has stayed in India for a total period of not less than 182 days in the previous calendar year.
3. If the total managerial remuneration payable by the Company to all its directors in any financial year exceeds the limits stipulated under the Act and rules made there under, then the Company will obtain requisite approval of the Central Government.
4. Atleast 1 month before the retirement or resignation of any director or whole time key managerial personnel, the Committee will initiate the process of identifying and recommending new candidates to replace such retiring or resigning directors or whole time key managerial personnel. However, the Board, on the recommendation of the Committee, will have the discretion to retain the KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company;
5. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

PARAMETERS FOR PERFORMANCE EVALUATION:

The Committee to consider the following factors while evaluating the performance of Executive, Non-executive, Independent Directors, Board, Chairman, Committee, Key Managerial & Senior Managerial Personnel.

Executive/Non-executive Directors:

1. Attendance, participation in the Meetings and timely inputs on the minutes of the meetings;
2. Contribution towards growth of the Company;
3. Leadership initiative, like new ideas and planning for future growth;
4. Adherence to ethical standards & code of conduct of the Company;
5. Compliance with policies, reporting of frauds, and disclosure of interest;
6. Safeguarding of confidential information;

Independent Directors:

1. Attendance, participation in the Meetings and timely inputs on the minutes of the meetings;
2. Adherence to ethical standards & code of conduct of the Company, disclosure of non-independence;
3. Compliance with policies, reporting of frauds, and disclosure of interest;
4. Safeguarding of confidential information;
5. Interpersonal relations with other directors and management;
6. Objective evaluation of Board's performance rendering independent and unbiased opinion;
7. Understanding of the Company's operations and contribution to strategic direction;
8. Other parameters as provided in the Act;

Board of Directors:

1. Composition of the Board appropriate right mix of knowledge and skills required to drive organizational performance in the light of future strategy;
2. Effectiveness in establishing a corporate environment that promotes timely and effective disclosure, fiscal accountability, high ethical standards and compliance with applicable laws and regulations;
3. Effectiveness of control in identifying material risks and implementation of preventive measures;
4. Guiding the management on the roadmap to achieve the mission & vision of the Company;
5. Holding Board Meetings at appropriate interval to enable proper and timely consideration of issues;
6. Constitution of Sub-Committees of the Board with right combination;

Chairman:

1. Demonstration of effective leadership of the Board;
2. Managing relationships and communications with shareholders;
3. Extent of relationships and communications within the Board;

4. Working of processes for setting the Agenda;
5. Encouraging Board members to raise issues and concerns;

Board's Committee:

1. Adherence to the terms of reference;
2. Making recommendations to the Board effectively on all issues arising out of terms of reference;
3. Adherence to applicable laws and timely reporting;
4. Holding meetings at appropriate interval or on needs basis;
5. Active participation of all the members;

Key Managerial Personnel

1. Pre-meeting arrangements including sending Notices, Agenda, Notes on Agenda, other details as may be required by the Chairman & the Board;
2. Advising the Board on compliance with all applicable laws;
3. Preparation & submission of financial & other statements for discussion and approval by the Board & Committee members;
4. Support the Chairman in conducting the business of the Board, Committee and General Meetings;
5. Post-meeting compliances including preparation of minutes, timely reporting to regulatory authorities, etc;
6. Other assignments as per terms of appointment and job description given individually to each KMP;

The evaluation may happen at least once in a year;